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SENATE BILL 726 By
Burchett

HOUSE BILL 1221
By Turner M

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 24
and Title 56, relative to fire service personnel.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 3, is amended by adding
section 2 as a new part.

SECTION 2.

(a) Every domestic, foreign, or alien insurer, other than life and health insurers, shall charge and collect a surcharge of thirty cents (\$0.30) upon each one hundred dollars (\$100) of premium, assessments, or other charges, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether charges are designated as premiums, assessments or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to administrative regulations promulgated by the commissioner of commerce and insurance. No insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth day of each month, each insurer shall report and

remit to the department of commerce and insurance, on forms it may require, all premium surcharge monies collected by it during its preceding monthly accounting period less any monies returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. Insurers with an annual liability of less than one thousand dollars (\$1,000) for each of the previous two (2) calendar years may report and remit to the department of commerce and insurance all premium surcharge monies collected on a calendar year basis on or before the twentieth day of January of the following calendar year.

(b)

(1)

(A) There is created a special agency account in the general fund to be known as the firefighters foundation program fund.

(B) There is created a special agency account in the general fund to be known as the Tennessee Fire Service and Codes Enforcement Training Academy operations fund.

(2) Any balances remaining unexpended at the end of a fiscal year from each account shall be carried forward into the subsequent fiscal year.

(3) Interest accruing on investments and deposits of each account shall be carried forward into the subsequent fiscal year.

(4) The funds realized from the premium surcharge and appropriations from the general fund shall be deposited in each account as provided in this part. No part of either account shall be diverted to the general fund or any other public fund.

(5) Funds in each account shall be invested by the state treasurer in accordance with the provisions of § 9-4-603. The accounts shall be administered

by the Tennessee commission on fire fighting personnel standards and education in accordance with Title 4, Chapter 24.

(6) Funds in each account shall only be expended and obligated in accordance with appropriations made by the general assembly.

(7) Funds in each account shall only be expended in accordance with the provisions of this act.

(8) Each account may also receive any other funds, gifts, or grants made available to the state for distribution to local government and volunteer fire departments and rescue squads.

(c) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative, or assessment fire insurance company shall be deposited as follows and shall be paid monthly by the state treasurer in the following manner: twenty-four and one-half cents (\$0.245) of the funds collected pursuant to this section shall be deposited into the firefighters foundation program fund; five cents (\$0.05) of the funds collected pursuant to this section shall be deposited into the Tennessee Fire Service and Codes Enforcement Training Academy operations account to fund the operations of the Tennessee Fire Service and Codes Enforcement Training Academy; and the remaining one-half cent (\$0.005) of the funds collected pursuant to this section shall be utilized by the department of commerce and insurance to defray the cost of collecting the surcharge. Insurance premium surcharge funds collected from policyholders of any mutual company, cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after the effective date of this act, shall be paid into these funds as proportioned above.

(d) On or before the first day of each quarter, the state treasurer shall pay into each special account its proportionate share of all deposited fee monies.

SECTION 3. Tennessee Code Annotated, Section 4-24-106, is amended by deleting the language "and" at the end of subdivision (4), by deleting subdivision (5) in its entirety, and by adding the following new subdivisions:

- (5) Administer the training incentive provided in part 2 of this chapter;
- (6) Administer the Firefighters Foundation Program Fund; and
- (7) Administer the volunteer fire department training incentive and rescue squad grants program provided in part 3 of this chapter.

SECTION 4. Tennessee Code Annotated, Section 4-24-107, is amended by deleting the language "and" at the end of subdivision (5), by deleting subdivision (6), and by adding the following new subdivisions:

- (5) develop standards and programs for the administration and distribution of the training incentive to eligible firefighters pursuant to part 2 of this chapter;
- (7) develop standards and programs for the administration and distribution of the volunteer training incentive program provided in part 3 of this chapter;
- (8) apply for and administer grants for local government and volunteer fire departments for training, training equipment and materials;
- (9) supply grants from the Firefighter Foundation Fund to any fire department (paid, volunteer or combination) for the purposes of purchasing training materials based upon requirements established by the Commission; and
- (10) supply grants from the Firefighter Foundation Fund to any rescue squad based upon criteria established by the commission provided in part 3 of this chapter.

SECTION 5. Tennessee Code Annotated, Section 4-24-105(a), is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

- (1) Commission members shall receive a per diem payment for each day of attendance at a local firefighting unit pursuant to provisions of Section 4-24-110, in the amount of one hundred dollars (\$100) per day of attendance.

SECTION 6. Tennessee Code Annotated, Section 4-24-104(h), is amended by adding the following new subdivision:

(6) Members whose terms expire shall continue to serve on the commission until a new member is appointed.

SECTION 7. Tennessee Code Annotated, Section 4-24-104(h)(1), is amended by deleting the language "may" and by substituting instead the language "shall".

SECTION 8. Tennessee Code Annotated, Section 4-24-106(4), is amended by deleting the language "firefighters" and by substituting instead the language "fire service personnel".

SECTION 9. Tennessee Code Annotated, Section 4-24-202(b), is amended by deleting the language "supplemental income bonus" and substituting instead the language "training incentive".

SECTION 10. Tennessee Code Annotated, Section 4-24-203(2), is amended by deleting the language "state bonus supplement" and substituting instead the language "training incentive".

SECTION 11. Tennessee Code Annotated, Section 4-24-205, is amended by deleting the language "salary supplement and educational incentive bonuses" and substituting instead the language "training incentive".

SECTION 12. Tennessee Code Annotated, Section 56-4-205, is amended by deleting subsection (c) in its entirety.

SECTION 13. Tennessee Code Annotated, Section 4-24-109, is amended by deleting that section in its entirety and by substituting instead the following language:

4-24-109.

The commission shall operate on funds generated for the Firefighters Foundation Program Fund. The commission shall submit its proposed operating budget to the commissioner of finance and administration each year in accordance with the normal budgetary process. At the close of each fiscal year, any unexpended funds from the

commission's operating budget shall not revert to the general fund but shall remain in the Firefighters Foundation Fund.

SECTION 14. Tennessee Code Annotated, Section 4-24-201(2), is amended by deleting the language "or subject to call for such services".

SECTION 15. Tennessee Code Annotated, Section 4-24-202, is amended by deleting that section in its entirety and by substituting instead the following language:

4-24-202.

(a) Any unit of government with firefighters who successfully complete in each year an in-service training course, appropriate to such firefighter's rank and responsibility and the size and location of such firefighter's department, of at least eighty (80) hours duration at a school certified or established by the commission shall be entitled to receive up to five percent (5%) of each such qualified firefighter's annual salary from the commission to be paid to each such firefighter in addition to such firefighter's regular salary.

(b) Any firefighter shall be eligible for such supplemental income bonus upon satisfactory completion, as determined by the commission, of eighty (80) hours of such training in each year.

(c) Notwithstanding any provision of law, rule or regulation to the contrary, any firefighter who serves on active duty in the armed forces of the United States during a military action shall receive the training incentive provided pursuant to this section if such service prevented such firefighter from attending the in-service training program pursuant to this section.

SECTION 16. Tennessee Code Annotated, Title 4, Chapter 24, Part 2, is amended by adding the following new section:

4-24-207.

On or before October 1 of each calendar, the state treasurer shall report to the commission the balance of the Firefighters Foundation Program Fund with the treasurer's recommendation of the amount available to be expended for payments of the training incentives for paid firefighters for the following year. The commission shall establish at its October meeting the amount of training incentives for paid firefighters in an amount not less than one thousand two hundred dollars (\$1,200) and not exceeding two thousand five hundred dollars (\$2,500) per individual for the following year. This new amount shall begin with training commencing January 1, 2004.

SECTION 17. Tennessee Code Annotated, Title 4, Chapter 24, is amended by adding the following new part:

4-24-301. As used in this part, unless the context otherwise requires:

(1) "Commission" means the commission on firefighting personnel standards and education created by this chapter.

(2) "Volunteer fire department" means any fire department that utilizes volunteers or "paid-on-call" firefighters to provide fire protection services to the public, has a charter filed with the secretary of state's office, that has at least one (1) member certified by the commission and, meets eligibility standards established by the commission.

(3) "Rescue squad" means any rescue squad that solely provides rescue services and does not provide fire protection services.

4-24-302.

(a) Any volunteer fire department whose members successfully complete in each year an in-service training course of at least forty (40) hours duration at a school certified or established by the commission shall be entitled to receive the volunteer training incentive to be paid to the volunteer fire department.

(b) The commission shall establish minimum standards for volunteer fire departments to meet in order to participate in this program.

4-24-303. Funds made available under this part to volunteer fire departments shall be effective for training commencing January 1, 2004, and shall be expended as follows:

(1) Funds shall be used only for a cash payment to the volunteer fire department. In the event the department has both paid and volunteer members, this payment is to be used only for the benefit of the volunteer members of the fire department.

(2) The training incentive payment is to be used for purposes established by the commission.

(3) Funds provided shall not be used to supplement salaries of paid firefighters for services provided.

(4) The commission shall establish the amount provided to volunteer departments based upon the size of the department, the number of persons certified by the commission, and shall distribute a percentage of the yearly incentive amount based upon the percentage of the members who participate in the program.

(5) These payments shall be administered in accordance with the rules and regulations of the commission.

4-24-304. On or before October 1 of each year, the state treasurer shall report to the commission the balance of the Firefighters Foundation Program Fund with the treasurer's recommendation of the amount available to be expended for payments of the volunteer training incentive for the following year. The commission shall establish at its October meeting the amount of the volunteer training incentive; provided, the amount

shall not exceed eight thousand dollars (\$8,000) per volunteer fire department for the following year.

4-24-305. The commission is empowered to set minimum training standards for volunteer firefighters who participate in this program.

4-24-306. From one-half cent (\$0.005) of the monies generated by this act and deposited in the firefighters foundation program fund, the commission shall offer grants for purposes established by the commission to any rescue squad in the state of Tennessee who meets the qualifications established by the commission. No rescue squad can qualify for this grant if it qualifies to receive any money from any other part of this act.

SECTION 18. If any provision of this act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 19. This act shall take effect July 1, 2003, the public welfare requiring it.